

ANNUAL REPORT

OF THE

**DETROIT AND MACKINAC
RAILWAY COMPANY**

FOR THE YEAR ENDED DECEMBER 31st

1951

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DETROIT AND MACKINAC RAILWAY COMPANY

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

CHARLES A. PINKERTON, JR.	East Tawas, Mich.
WALTER F. KEERS	Brooklyn, N. Y.
STANLEY E. LAWFER	Allentown, Pa.
J. F. HIGGINS	New York, N. Y.
R. W. PIEPKORN	Alpena, Mich.

OFFICERS

CHARLES A. PINKERTON, JR.	
President and General Manager	Tawas City, Michigan
N. W. SALSBERY	
Secretary and Treasurer	Tawas City, Michigan
A. J. SEVENER	
Auditor	Tawas City, Michigan
R. W. HICKEY	
Assistant to General Manager	Tawas City, Michigan
E. S. HARRIS	
Superintendent	Alpena, Michigan
W. T. YAKE	
General Freight Agent	Tawas City, Michigan
CARL R. HENRY	
General Counsel	Alpena, Michigan

FISCAL AND TRANSFER AGENTS

J. P. Morgan & Company	New York, N. Y.
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REGISTRAR OF STOCK

Central Hanover Bank and Trust Company	New York, N. Y.
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ANNUAL MEETING

The last Tuesday in April
is the date of Annual Meeting of Stockholders

GENERAL OFFICE	TAWAS CITY, MICHIGAN
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JOE C. TREPANIER

**CERTIFIED PUBLIC ACCOUNTANT
LAFAYETTE BUILDING
DETROIT**

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To The Stockholders and Board of Directors of
Detroit and Mackinac Railway Company
Tawas City, Michigan

We have examined the Statements of Financial Condition of the Detroit and Mackinac Railway Company, Tawas City, Michigan, and its wholly owned subsidiary, Mackinac Truck Lines, Inc., as at December 31, 1951, and the related Statements of Income and Earned Surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the position of the Detroit and Mackinac Railway Company and its wholly owned subsidiary, Mackinac Truck Lines, Inc., at December 31, 1951, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles prescribed by the Interstate Commerce Commission and the Michigan Public Service Commission.

JOE C. TREPANIER
Certified Public Accountant

DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Michigan
March 1, 1952

TO THE STOCKHOLDERS:

Although gross revenues from freight traffic reached an all-time high of \$2,498,300 during the year, increased labor and material costs, retroactive tax assessments and property rehabilitation consumed large portions of income, leaving net earnings of \$312,831.

Several factors were responsible for the higher revenues. Such commodities as gypsum and limestone brought \$45,662 more in 1951 than in the previous year. Forest products jumped \$63,338; wood pulp and paper traffic increased \$191,814, and manufactured and miscellaneous items \$249,248 more. Two rate increases effective in April and August accounted for an estimated \$96,000 in additional revenue during the period they were in effect.

Passenger revenue of \$855 contributed but little to the total. This amount represents fares for the three months ending March 31, at which time passenger service was discontinued. Ending of passenger operations culminated a series of petitions and extensive hearings before the Michigan Public Service Commission dating back to 1950 and saw fulfillment of that governmental body's order permitting complete abandonment of passenger service as of February 3, 1951. This also marked an end to over half a century of such service in northeastern Michigan.

Following the cessation of passenger operations, your company's wholly-owned subsidiary, Mackinac Truck Lines, Inc., took over mail, express and other former "head-end" traffic. Your company was underbid for the continuance of the mail contract; by reason of the very nature of its corporate existence it has certain fixed costs and obligations which do not impede the small private carrier. However, the truck line continued improved service in handling merchandise and express, and remains an important factor in contributing to increased rail operational efficiency.

But on the other side of the ledger, operating costs, because of upped wage adjustments, escalator clauses and higher material prices, were increased by approximately \$127,000 over what they would have been if the 1950 level of wages and prices had prevailed throughout 1951. This shows the inadequacy of the freight rate increases, as expenses consumed more than the new rates earned. Then, too, final interpretation of the federal excess profits tax for the year 1950 caused an additional tax accrual of \$39,810, which was paid out of 1951 earnings.

Operating expenses were further increased during the year by bridge repairs, increased tie renewals and track laying and surfacing. We used 176,224 board feet of switch and bridge ties compared to 15,340 board feet the previous year. Cross ties applied totaled 62,485 compared to 30,667 in 1950. Repairs and remodeling of the North Bay City track scales and rehabilitation of yard buildings and installations cost \$20,546.

The laying of 5.41 miles of track with heavier rail, including necessary track fittings, cost \$55,945. Other capital expenditures in 1951 included \$22,400 for a Jackson multiple tie tamper and \$36,728 for miscellaneous road and equipment property.

Eight hopper cars, one box and one unit of work equipment were retired. All passenger cars were withdrawn from equipment accounts following the end of passenger service. These retirements reduced equipment property \$165,850. Miscellaneous road retirements totaled \$55,468.

So, for the year 1951, the net earnings of your company after taxes amounted to \$312,831, which was a reduction of \$188,132 from 1950. These earnings were allocated during the year as follows:

1. Payment on Equipment Obligations	\$170,112.96
2. Retirement of Funded Debt	205,582.50
3. Capital Improvements to Property	115,073.00

Total\$490,768.46

It will be readily noted that the expenditures for the above purposes exceeded net earnings by \$177,938.

Following is a simplified income account and balance sheet for the year 1951:

<i>INCOME:-</i>	Year 1951	Year 1950	Increase I Decrease D	
Freight	\$2,498,299.83	\$2,102,342.52	\$395,957.31	I
Passenger	854.80	7,525.52	6,670.72	D
Other Transportation Revenues....	85,987.68	122,492.08	36,504.40	D
Other Income	38,966.87	24,201.41	14,765.46	I
TOTAL	\$2,624,109.18	\$2,256,561.53	\$367,547.65	I

OUTGO:-

Wages	\$ 781,695.01	\$ 702,717.48	\$ 78,977.53	I
Fuel	40,910.66	38,192.65	2,718.01	I
Materials and Supplies	414,706.49	220,648.09	194,058.40	I
Railway Tax Accruals other than Federal Income Tax	98,625.18	81,834.34	16,790.84	I
Rental of Equipment, Debit Balance	80,472.04	40,529.75	39,942.29	I
Interest on Debt	68,258.89	80,181.08	11,922.19	D
Depreciation Charges	139,428.92	145,954.10	6,525.18	D
Other Operating and Non- Operating Expenses	187,948.47	56,629.58	131,318.89	I
TOTAL	\$1,812,045.66	\$1,366,687.07	\$445,358.59	I
Net Income before Federal Income Tax	\$ 812,063.52	\$ 889,874.46	\$ 77,810.94	D
Federal Income Tax Accruals....	499,232.77	388,911.66	110,321.11	I
NET INCOME	\$ 312,830.75	\$ 500,962.80	\$188,132.05	D

Income for 1951 was earned and spent as follows:

EARNINGS	Cents	DISPOSITION	Cents
Products of Agriculture	2	Wages	30
Animals and Products	1	Materials and Fuels	17
Products of Mines	42	Taxes	23
Products of Forests	6	Net Equipment Rents	3
Products of Manufacturers	44	Depreciation	5
Handling of Passengers	—	Other Expenses	7
Other Transportation Revenue....	4	Interest	3
Other Service	1	Net Income	12
TOTAL	100	TOTAL	100

BALANCE SHEET

ASSETS:

Road Property and Equipment, less depreciation	\$7,124,968.82
Sinking Funds	801,797.62
Miscellaneous Property	49,372.56
Cash	204,519.82
Government Securities	504,137.50
Materials and Supplies	181,896.32
Other Assets	303,150.80
TOTAL ASSETS	\$9,169,843.44

LIABILITIES:

Equipment Obligations	\$ 866,614.77
Accounts and Wages Payable	177,947.40
Accrued Taxes	503,712.81
Other Liabilities	106,365.04
Bonded Indebtedness	1,094,000.00
Capital Stock and Surplus:	
Capital Stock	2,950,000.00
Surplus	3,471,203.42
TOTAL LIABILITIES	\$9,169,843.44

Under a long-range plan to aid the economic development of northeastern Michigan and ultimately increase the business potential of your railroad, an industrial department was created. This program gained impetus from the fact that nearly 40 prospective companies have expressed interest in the region. The year 1952 may find new industries locating along the line.

To progressively improve your railroad has been and will continue to be our purpose. With your continued confidence, cooperation and support, together with the efforts of the loyal, efficient men and women of our organization, we can successfully realize that objective.

By order of the Board of Directors.

CHARLES A. PINKERTON, JR.,
President and General Manager

TABLE A
DETROIT AND MACKINAC RAILWAY COMPANY
CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1951, AND COMPARISON WITH
DECEMBER 31, 1950.

	Assets	Increase	Decrease
<i>Investments:-</i>			\$106,243.71
Investment in Road and Equipment	\$7,877,926.22		
Less Accrued Depreciation:			
Road	\$186,733.25	\$ 63,694.52	
Equipment	559,412.39		
	746,145.64		
Net Investment	7,131,780.58		169,938.23
Less Donations and Grants, Cr.	6,811.76	1,567.82	
Miscellaneous Physical Property	49,372.56	7,156.07	
Sinking Funds	801,797.62		
Investments in Affiliated Companies	25,000.00		
Other Investments	230.00	230.00	
Total Investment Less Depreciation	\$8,001,369.00		160,984.34
<i>Current Assets:-</i>			
Cash	204,519.82	3,876.61	
Temporary Cash Investments	504,137.50	110,278.50	
Special Deposits	8,700.00		5,860.00
Loans and Bills Receivable	10,000.00	5,000.00	
Net Balances Receivable from Agents and Conductors	34,911.45		7,384.13
Miscellaneous Accounts Receivable	80,539.87	28,469.92	
Materials and Supplies	181,896.32	2,413.37	
Interest and Dividends Receivable	26.64	26.64	
Accrued Accounts Receivable	23,772.41		33,712.15
Other Current Assets	168.30		817.47
	1,048,672.31	102,291.29	
<i>Deferred Assets:-</i>			
Working Fund Advances	545.78		
Insurance and Other Funds	32,010.00	32,010.00	
Other Deferred Assets	74,500.00	74,500.00	
	107,055.78	106,510.00	
<i>Unadjusted Debits:-</i>			
Prepayments	8,294.62		4,474.03
Other Unadjusted Debits	4,451.73		4,019.73
	12,746.35		8,493.76
			\$ 39,323.19

TABLE A—(Continued)

LIABILITIES

		Increase	Decrease
<i>Capital Stock:-</i>			
Common Stock	\$2,000,000.00		
Preferred Stock	950,000.00		
	<u>\$2,950,000.00</u>		
<i>Long-Term Debt:-</i>			
First Lien Bonds	684,000.00		\$190,000.00
Mortgage Bonds	910,000.00		
Held in Treasury	500,000.00		
	<u>410,000.00</u>		70,000.00
Equipment Obligations	866,614.77		170,112.96
	<u>1,960,614.77</u>		430,112.96
<i>Current Liabilities:-</i>			
Traffic and Car Service Balances Payable	9,757.73		54,590.89
Audited Accounts and Wages Payable	177,947.40	\$104,884.14	
Miscellaneous Accounts Payable	25,905.51		2,033.69
Interest Matured Unpaid	8,700.00		5,760.00
Unmatured Interest Accrued	3,646.67		866.66
Accrued Accounts Payable	27,188.36	2,727.95	
Other Current Liabilities	8,648.51		10,331.35
Taxes Accrued	44,289.67		8,188.61
Accrued Federal Income Tax Payable	459,423.14	70,511.48	
	<u>765,506.99</u>	96,352.37	
<i>Deferred Liabilities:-</i>			
	702.80		12,969.00
<i>Unadjusted Credits:-</i>			
	21,815.46	21,810.73	
<i>Corporate Surplus:-</i>			
Earned Surplus-Appropriated	2,720,711.18		
Earned Surplus-Credit Balance	750,492.24		
	<u>3,471,203.42</u>	364,242.05	
	<u>\$9,169,843.44</u>	<u>\$ 39,323.19</u>	

TABLE B

DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT FOR YEAR ENDING DECEMBER 31, 1951
COMPARED WITH YEAR ENDING DECEMBER 31, 1950

OPERATING REVENUES:-

	1951	Increase	Decrease
Freight	\$2,498,299.83	\$385,957.31	
Passenger	854.80		\$ 6,670.72
Baggage	9.32		13.27
Mail	10,023.54		64,922.24
Express	150.00		7,018.98
Other Passenger Train	532.35		546.45
Milk	358.37		2,169.27
Switching	28,663.68	1,447.29	
Storage — Freight	395.63		15.80
Demurrage	41,937.00	36,310.99	
Rents of Buildings and Other Property	2,330.44	130.25	
Miscellaneous	1,587.35	293.48	
Joint Facility Cr.40
Total Operating Revenues	\$2,585,142.31	\$352,782.19	

OPERATING EXPENSES:-

Maintenance of Way and Structures ..\$	674,277.31	\$298,940.01	
Maintenance of Equipment	249,342.30	13,648.35	
Traffic	46,566.90	20,222.89	
Transportation	468,652.69	47,699.74	
General	119,330.06	20,324.49	
Total Operating Expenses	\$1,558,169.26	400,835.48	
Net Operating Revenue	\$1,026,973.05		\$ 48,053.29
Railway Tax Accruals (see note)	597,857.95	127,111.95	
Railway Operating Income	\$ 429,115.10		175,165.24
Miscellaneous Rent Income	7,450.34	1,129.29	
Income from Non-Operating property ..	1,086.53		1,243.21
Interest Income	7,237.49	2,695.98	
Miscellaneous Income	412.00	14.50	
Income from Sinking Funds	22,433.36	12,755.70	
Equipment Rents, Dr.	80,472.04		39,942.29
Joint Facility Rents	347.15		586.80
Total Income	\$ 387,609.93		200,342.07
Miscellaneous Rents	430.00	15.00	
Miscellaneous Tax Accruals	1,174.29		96.97
Interest on Funded Debt	68,258.89		11,719.50
Interest on Unfunded Debt			202.69
Miscellaneous Income Charges	4,916.00		205.86
Net Income	\$ 312,830.75		\$188,132.05

Note:—Accrual of Federal Income Taxes for Year 1951\$459,423.14
 Additional tax liability for year 1950 due to final interpreta-
 tion of Excess profits Tax Law 39,809.63
 Other Tax Accruals 98,625.18
 \$597,857.95

TABLE B—(Continued)

DETROIT AND MACKINAC RAILWAY COMPANY

PROFIT AND LOSS ACCOUNT

Credit Balance, January 1, 1951	\$556,363.15
Credit Balance Transferred from Income	312,830.75
Miscellaneous Credits	60,588.71
Miscellaneous Debits	\$ 9,177.41
Miscellaneous Appropriations of Surplus	170,112.96
Credit Balance Carried to Balance Sheet Dec. 31, 1951	750,492.24
	<u>\$929,782.61</u>
	<u>\$929,782.61</u>

TABLE C
PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding 12/31/51	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$ 684,000.00	4%	June and December	\$29,361.24	June 1, 1995
Mort.	410,000.00	4%	June and December	\$17,325.65	June 1, 1995
	<u>\$1,094,000.00</u>			<u>\$46,686.89</u>	

SCHEDULE C-1

DETROIT AND MACKINAC RAILWAY COMPANY

SCHEDULE OF EQUIPMENT OBLIGATIONS

Equipment Covered	Date of Purchase	Cost	Initial Payment	Interest Rate	Annual Payment	Balance Due 12-31-51	Date of Maturity
Locomotives:							
5 Diesel-Electric Road Switching Locomotives	Dec. 1946	\$ 602,300.00	\$ 60,230.00	2¼ %	\$ 54,207.00	\$265,581.00	Dec. 1946
1 Diesel-Electric Road Switching Locomotive	Feb. 1948	129,498.00	29,498.00	2¼ %	9,999.96	60,833.09	Feb. 1958
1 Diesel-Electric Switching Locomotive	July 1946	59,750.00	5,975.00	2¼ %	5,377.44	24,198.48	July 1956
Cars:							
200 Steel Box Cars and 25 Steel Gondola Cars	Feb. 1947	862,868.25	86,287.25	2¼ %	77,658.00	396,932.58	Feb. 1957
25 Open-Top Steel Hopper Cars	June 1948	99,675.00	25,375.00	2¼ %	7,429.92	47,676.12	June 1958
10 Covered Steel Hopper Cars	Feb. 1949	60,966.60	17,716.60	2¼ %	4,325.04	30,635.30	Feb. 1959
Work Equipment:							
1 Diesel-Electric Crane	Aug. 1950	61,754.45	6,175.45	2¼ %	11,115.60	40,758.20	Aug. 1955
		<u>\$1,876,812.30</u>	<u>\$231,257.30</u>		<u>\$170,112.96</u>	<u>\$866,614.77</u>	

TABLE D

DETROIT AND MACKINAC RAILWAY COMPANY

COMPARATIVE FINANCIAL STATEMENT

<i>CURRENT ASSETS</i>	Dec. 31, 1949	Dec. 31, 1950	Dec. 31, 1951
Cash	\$ 186,811.40	\$ 200,643.21	\$ 204,519.82
Special Funds	295,316.50	408,419.00	512,837.50
Due from Station Agents and Others	62,506.53	99,365.53	149,418.67
Materials and Supplies	135,066.88	179,482.95	181,896.32
Prepaid and Deferred Charges	30,266.67	59,016.11	107,055.78
Other Unadjusted Debits	53,073.41	21,240.11	12,746.35
Totals	\$ 763,041.39	\$ 968,166.91	\$ 1,168,474.44

LESS CURRENT LIABILITIES:-

Audited Vouchers and Pay Rolls	\$ 117,724.53	\$ 73,063.26	\$ 177,947.40
Accrued Taxes, Interest and Traffic Balances	427,839.84	609,763.16	587,559.59
Totals	\$ 545,564.37	\$ 682,826.42	\$ 765,506.99
Net Current Assets	\$ 217,477.02	\$ 285,340.49	\$ 402,967.45

CAPITAL ASSETS:-

Cost of Road	\$5,745,546.59	\$5,755,684.01	\$5,807,461.85
Cost of Equipment	2,210,678.34	2,228,485.92	2,070,464.37
Miscellaneous Physical Property	47,804.74	47,804.74	49,372.56
Sinking Funds and Investments	485,174.50	819,641.55	827,027.62
Totals	\$8,489,204.17	\$8,851,616.22	\$8,754,326.40

REPRESENTING:-

Bonds Issued — First Lien	\$ 901,000.00	\$ 874,000.00	\$ 684,000.00
Bonds Issued — Mortgage	528,000.00	480,000.00	410,000.00
Stock Issued — Common	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued — Preferred	950,000.00	950,000.00	950,000.00
Equipment Obligations	1,143,851.29	1,036,727.73	866,614.77
Reserves	583,468.68	682,451.12	746,145.64
Grants in Aid of Construction	6,811.76	6,811.76	6,811.76
Other Unadjusted Credits	Dr. 4.96	4.73	22,518.26
Appropriated Surplus	2,381,720.21	2,550,598.22	2,720,711.18
Earned Surplus — Unappropriated	211,834.21	556,363.15	750,492.24
Totals	\$8,706,681.19	\$9,136,956.71	\$9,157,293.85

TABLE E

DETROIT AND MACKINAC RAILWAY COMPANY

REVENUES AND EXPENSES BY YEARS

REVENUES

	1947	Per	1948	Per	1949	Per	1950	Per	1951	Per
	Amount	Cent	Amount	Cent	Amount	Cent	Amount	Cent	Amount	Cent
Freight -----	\$1,647,403.80	91.0	\$2,045,692.24	93.04	\$1,810,095.45	93.85	\$2,102,342.52	94.18	\$2,498,299.83	96.64
Passenger -----	21,164.85	1.2	14,764.71	.67	8,441.63	.44	7,525.52	.34	854.80	.03
Mail -----	25,600.00	1.4	38,677.00	1.76	61,292.28	3.18	74,945.78	3.36	10,023.54	.39
Express -----	18,530.15	1.0	15,398.44	.70	2,970.56	.15	7,168.98	.32	150.00	.01
Milk -----	8,179.49	.5	9,071.81	.41	9,134.45	.47	2,527.64	.11	358.37	.01
Other Sources -----	88,383.17	4.9	75,187.64	3.42	36,774.18	1.91	37,849.68	1.69	75,455.77	2.92
Total -----	\$1,809,261.46	100%	\$2,198,791.84	100%	\$1,928,708.55	100%	\$2,232,360.12	100%	\$2,585,142.31	100%

EXPENSES

Maintenance of Way and Structures -----	\$ 399,152.55	35.3	\$ 463,464.68	35.99	\$ 393,012.29	32.47	\$ 375,337.30	32.43	\$ 674,277.31	43.27
Maintenance of Equipment -----	214,205.34	19.0	252,400.58	19.60	270,149.04	22.32	235,693.95	20.37	249,342.30	16.00
Traffic -----	16,101.79	1.4	22,244.34	1.73	26,006.43	2.15	26,344.01	2.28	46,566.90	2.99
Transportation -----	414,357.71	36.6	449,552.89	34.90	422,565.59	34.91	420,952.95	36.37	468,652.69	30.08
General -----	88,998.97	7.7	100,263.51	7.78	98,656.22	8.15	99,005.57	8.55	119,330.06	7.66
Total -----	\$1,132,816.36	100%	\$1,287,926.00	100%	\$1,210,389.57	100%	\$1,157,333.78	100%	\$1,558,169.26	100%
Operating Ratio -----		62.60%		58.55%		62.76%		51.84%		60.27%
Net Operating Income -----	\$ 676,445.10	37.4	\$ 910,865.84	41.43	\$ 718,318.98	37.24	\$1,075,026.34	48.16	\$1,026,973.05	39.73
Taxes -----	237,392.08	13.1	348,552.64	15.85	290,354.89	15.05	470,746.00	21.09	597,857.95	23.13
Net Operating Income Less Taxes--	\$ 439,053.02	24.3	\$ 562,313.20	25.58	\$ 427,964.09	22.19	\$ 604,280.34	27.07	\$ 429,115.10	16.60

TABLE F

DETROIT AND MACKINAC RAILWAY COMPANY

OPERATING EXPENSES

1951 COMPARED WITH 1950

MAINTENANCE OF WAY AND STRUCTURES

	Amount	Increase	Decrease
Superintendence	\$ 36,373.36	\$ 1,893.59	
Roadway Maintenance	30,247.54		\$ 1,884.25
Bridges, Trestles, and Culverts	63,277.70	54,116.82	
Ties	214,544.09	148,645.69	
Rails	15,116.13	11,426.68	
Other Track Material	27,678.02	15,154.64	
Ballast	3,589.16	350.84	
Track Laying and Surfacing	142,999.61	20,289.13	
Fences, Snowsheds, and Signs	15,440.86	6,699.44	
Station and Office Buildings	27,061.59	24,725.99	
Roadway Buildings	1,357.13	1,133.81	
Fuel Stations	840.31	774.42	
Shops and Enginehouses	9,016.59	4,665.69	
Telegraph and Telephone Lines	7,336.63	5,218.05	
Signals and Interlockers	1,090.43	240.69	
Road Property — Depreciation	31,762.00	1,339.78	
Retirements — Road	2,079.98		11,423.16
Roadway Machines	5,267.51	1,616.66	
Dismantling Retired Road Property	1,743.84		1,511.06
Small Tools and Supplies	7,682.98	2,959.12	
Removing Snow, Ice and Sand	14,739.01	6,443.89	
Public Improvements, Maintenance	3,069.86	1,940.44	
Injuries to Persons	675.21		461.51
Insurance	3,046.26	347.45	
Stationery and Printing	694.55	183.09	
Other Expenses	7,293.78	3,811.76	

Maintaining Joint Tracks, Yards and

Other Facilities — Dr.	575.35	71.27
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Maintaining Joint Tracks, Yards and

Other Facilities — Cr.	322.17Cr.	171.05
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Total	\$674,227.31	\$298,940.01
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TABLE F—(Continued)

MAINTENANCE OF EQUIPMENT

	Amount	Increase	Decrease
Superintendence	\$ 28,384.01	\$ 2,761.82	
Shop Machinery	2,117.72	1,110.34	
Power Plant Machinery			\$ 12.98
Power Plant Machinery—Depreciation	3,385.82	46.87	
Other Locomotives — Repairs	36,816.21	6,804.85	
Freight-train Cars — Repairs	54,275.13	13,217.35	
Passenger-train Cars — Repairs	1,770.23		6,468.17
Work Equipment — Repairs	7,052.26	3,137.68	
Miscellaneous Equipment — Repairs	960.17		455.33
Equipment — Retirements	194.79		.70
Equipment — Depreciation	104,281.10		7,911.83
Injuries to Persons	1,480.00		527.68
Insurance	3,979.10	341.65	
Stationery and Printing	196.96		17.64
Other Expenses	4,535.03	1,629.18	
Maintaining Joint Equipment — Dr.	221.94		6.09
Maintaining Joint Equipment — Cr.	308.17Cr.		.97
Total	\$249,342.30	\$13,648.35	

TRAFFIC

Superintendence	\$ 22,011.30	\$ 5,946.01	
Advertising	4,279.71	2,285.14	
Traffic Associations	1,851.44		\$ 77.14
Industrial & Immigration Bureaus	10,426.38	10,426.38	
Insurance	561.74	80.81	
Stationery and Printing	5,122.65	1,367.32	
Other Expenses	2,313.68	194.37	
Total	\$ 46,566.90	\$20,222.89	

TRANSPORTATION

Superintendence	\$ 42,800.33	\$ 4,990.31	
Dispatching Trains	5,287.84	295.83	
Station Employees	77,332.63	5,758.19	
Wei'g Inspc'n and Demurrage Bureaus	1,151.26	237.18	
Station Supplies and Expenses	3,350.89		\$ 615.06
Yardmaster and Yard Clerks	12,109.21	1,654.99	
Yard Conductors and Brakemen	43,980.21	9,696.64	
Yard Motormen	23,870.92	4,747.40	
Yard Switching Fuel	6,348.95	856.30	
Lubricants for Yard Locomotives	392.94		187.02
Other Supplies for Yard Locomotives	164.42		6.13
Enginehouse Expenses — Yard	5,353.74	1,663.33	
Yard Supplies and Expenses	2,128.71	697.87	

TABLE F—(Continued)

	Amount	Increase	Decrease
Train Motormen	\$ 52,886.44		\$ 385.82
Train Fuel	34,561.71	\$ 1,861.71	
Lubricants for Train Locomotives	2,070.85		864.92
Other Supplies for Train Locomotives	1,160.80	157.60	
Enginehouse Expenses — Train	12,450.28		1,003.05
Trainmen	75,418.81	7,878.47	
Train Supplies and Expenses	16,839.03	406.44	
Signal and Interlocker Operation	245.58	28.93	
Drawbridge Operation	3,776.17		604.13
Telegraph and Telephone Operation	154.67	101.27	
Stationery and Printing	4,159.79		567.70
Other Expenses	14,479.61	2,561.60	
Insurance	9,115.54	1,193.98	
Clearing Wrecks	1,044.79	558.34	
Damage to Property	30.00	26.00	
Damage to Live Stock on Right of Way	500.00	500.00	
Loss and Damage — Freight	7,742.25	5,428.92	
Injuries to Persons	12,003.12		572.97
Opera'g Joint Yards and Terminals—Dr.	6,870.33	1,329.52	
Opera'g Joint Yards and Terminals—Cr.	8,297.63Cr.		505.42
Opera'g Joint Yards and Facilities—Dr.	168.50	90.40	
Opera'g Joint Tracks and Facilities—Cr.	3,000.00Cr.	290.74	
Total	\$ 468,652.69	\$ 47,699.74	

GENERAL

Salaries and Exp's of General Officers	\$ 25,145.78	\$ 3,808.48
Salaries and Exp's of Clerks and Attend's	48,284.44	4,682.02
General Office Supplies and Expenses	1,897.06	1,214.84
Law Expenses	11,804.91	121.14
Insurance	590.59	83.72
Pensions	5,054.69	36.86
Stationery and Printing	6,214.15	264.50
Other Expenses	20,338.44	10,112.93
Total	\$ 119,330.06	\$ 20,324.49

SUMMARY

Maintenance of Way, and Structures	674,277.31	298,940.01
Maintenance of Equipment	249,342.30	13,648.35
Traffic	46,566.90	20,222.89
Transportation	468,652.69	47,699.74
General	119,330.06	20,324.49
Total Operating Expenses	\$1,558,169.26	\$400,835.48

TABLE G

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF MILEAGE OPERATED, DECEMBER 31, 1951

MAIN LINE

North Bay City to Cheyboygan	195.10
One-half Undivided Ownership — Foss to North Bay City26

BRANCHES

Omer to AuGres	7.95
Alabaster Junction to Alabaster	4.03
Hillman Junction to Emerson	10.38
Rogers City Junction to Rogers City	14.33
Total	36.69
Total Main Line and Branches	232.05
Yard Tracks and Sidings	44.95
(Includes One-half Undivided Ownership — .29 mi. Cheyboygan Yards)	
Total Operated, all Tracks (miles)	277.00

TABLE H

DETROIT AND MACKINAC RAILWAY COMPANY

CLASSIFICATION OF FREIGHT TONNAGE

	1951 Tons	Per Cent	1950 Tons	Per Cent
<i>Products of Agriculture:-</i>				
Grain	3,203	.2	4,405	.3
Flour	2,826	.2	2,971	.2
Other Mill Products	145		183	
Hay and Straw	651		1,176	.1
Potatoes	2,573	.2	3,311	.2
Fruits and Vegetables	1,424	.1	3,934	.3
Sugar Beets	9,491	.6	14,697	.9
Other Products of Agriculture	5,909	.3	488	
Totals	26,222	1.6	31,165	2.0

TABLE H — (Continued)

	1951 Tons	Per Cent	1950 Tons	Per Cent
<i>Animals and Products:-</i>				
Livestock	178		94	
Hides and Leather	3,226	.2	2,914	.2
Other Animals and Products	930	.1	995	.1
Totals	4,334	.3	4,003	.3
<i>Products of Mines:-</i>				
Anthracite Coal	696		697	.1
Bituminous Coal	56,155	3.5	39,188	2.6
Coke	2,282	.2	1,927	.1
Clay, Gravel, Sand and Stone	386,832	24.2	454,084	29.7
Other Products of Mines	561,268	35.0	527,620	34.5
Totals	1,007,233	62.9	1,023,516	67.0
<i>Products of Forests:-</i>				
Lumber, Shingles and Lath	12,915	.8	11,061	.7
Pulp Wood	84,480	5.3	44,235	2.9
Other Products of Forests	9,457	.6	6,432	.4
Totals	106,852	6.7	61,728	4.0
<i>Manufacturers and Miscellaneous:-</i>				
Refined Petroleum and its Products..	39,404	2.5	46,560	3.0
Iron, Steel, Machinery, Castings etc.	14,383	.9	6,591	.4
Cement	34,985	2.2	38,866	2.5
Brick and Artificial Stone	5,549	.3	3,497	.2
Lime and Plaster	45,645	2.8	47,631	3.1
Fertilizers (all kinds)	4,560	.3	6,768	.4
Newsprint and Printing Paper	16,732	1.0	7,052	.5
Paperboard, Pulpboard & Wallboard	194,998	12.2	179,510	11.8
Other Manufacturers & Misc.	94,485	5.9	64,237	4.3
Totals	450,741	28.1	400,712	26.2
All L. C. L. Freight	6,604	.4	7,419	.5
Grand Total Carload and L. C. L. Traffic	1,601,986	100 %	1,528,543	100 %

TABLE 1

DETROIT AND MACKINAC RAILWAY COMPANY

FREIGHT STATISTICS

	1951	1950
Number tons revenue freight carried	1,601,986	1,528,543
Number tons non-revenue freight carried	20,309	15,315
Total number tons of freight carried	1,622,295	1,543,858
Number revenue tons carried one mile	130,442,000	124,566,000
Number all tons carried one mile	132,032,000	125,598,000
Number of revenue tons carried one mile, per mile of road	562,129	536,806
Number tons of all freight carried one mile, per mile of road	568,981	541,254
Average distance haul of one ton revenue freight (miles)	81.4	81.5
Average distance haul of one ton all freight (miles)	81.4	81.4
Total Freight Revenue	\$ 2,498,299.83	\$ 2,102,342.52
Average amount received from each ton of freight	1.56	1.38
Average receipts, per ton, per mile	\$.01915	\$.01688
Freight revenue, per mile of road	\$ 10,766.21	\$ 9,059.86
Freight revenue, per train mile	\$ 16.39	\$ 16.47
Average number of revenue tons, per train mile	1,051	1,197
Average number of all tons, per train mile..	1,064	1,209
Average number of all tons per loaded car mile	50.3	54.1
Average number of cars, per train mile	35.0	39.3

PASSENGER STATISTICS

Number of passengers carried	586	3,512
Number of passengers carried one mile	35,615	269,781
Number of passengers carried one mile, per mile of road	153	2,211
Average distance each passenger (miles)	60.8	76.8
Passenger Revenue	\$ 854.80	\$ 7,525.52
Average amount received from each passenger	\$ 1.46	\$ 2.14
Average receipts, per passenger, per mile	\$.0240	\$.0279
Total passenger train earnings	\$ 11,928.38	\$ 93,269.31
Passenger train earnings, per mile of road	\$ 51.40	\$ 401.94
Passenger train earnings, per train mile	\$.7	\$ 1.23
Average number of passengers, per train mile03	3.6

OPERATING STATISTICS

Gross revenue from operation	\$ 2,585,142.31	\$ 2,232,360.12
Gross revenue from operation, per mile of road	\$ 11,140.45	\$ 9,620.17
Operating Expenses	\$ 1,558,169.26	\$ 1,157,333.78
Operating Expenses, per mile of road	\$ 6,714.80	\$ 4,987.43
Net Operating Revenue	\$ 1,026,973.05	\$ 1,075,026.34
Net operating revenue, per mile of road	\$ 4,425.65	\$ 4,632.74
Ratio of expense to earnings	60.27%	51.84%

TABLE J

DETROIT AND MACKINAC RAILWAY COMPANY

EQUIPMENT

Locomotives:-

	1951	1950
Diesel — Road Switchers	6	6
Diesel — Switching	1	1
Totals	7	7

Passenger Cars:-

Coaches	{	3	4
Combination Baggage and Mail	{ see note }	2	2
Baggage and Express Cars	{	5	5
Express Refrigerators		3	3
Totals		13	14

Freight Cars:-

Box	204	205
Flat	7	7
Hoppers — Covered	10	10
Hoppers — Open	66	74
Caboose Cars	7	6
Totals	294	302

In Company's Service:-

Officers	1	1
Ballast	3	3
Flangers	10	10
Jordan Spreader	1	1
Industrial Crane	1	2
Other Company Service Equipment	33	33
Totals	49	50

Note—10 passenger cars retired from accounts.

Summary:-

Total Number of Locomotives Owned	7	7
Total Number of Cars Owned	356	366

SCHEDULE K

DETROIT AND MACKINAC RAILWAY COMPANY

Statement of Tracks Built and Taken up During Year, 1951

TRACKS BUILT

Track Order	Yard Tracks, Sidings, and Spurs	Location	Feet
3549	Lengthen Track 11	Tawas	293
3601	Lengthen Track 12	North Bay City	203
	Lengthen Track 15	North Bay City	128
	Lengthen Track 16	North Bay City	139
3666	Lengthen Track 17	North Bay City	382
	Build Track 19A	North Bay City	486
			<hr/> 1631

TRACKS TAKEN UP

Track Order	Yard Tracks, Sidings, and Spurs	Location	Feet
3653	Retire South End Track O	Orchard	68
3666	Retire South End Track 19	North Bay City	1160
3669	Retire Track 1	North Bay City	1148
3670	Retire Track 9	North Bay City	1042
	Retire Track 10	North Bay City	915
3682	Retire Track 21	North Bay City	196
3698	Retire Piece Out of Track 5	North Bay City	60
3699	Retire Back End Track 64C	Alpena	54
			<hr/> 4643

SUMMARY

Tracks Taken Up	4,643
Tracks Built	<u>1,631</u>
Net Retirement	3,012 feet or .57 miles

MACKINAC TRUCK LINES, INC.

The following schedules "L" and "M" set forth the balance sheet and operating statement of your company's wholly-owned subsidiary truck operation for the year 1951.

SCHEDULE L MACKINAC TRUCK LINES, INC.

BALANCE SHEET

December 31, 1951

ASSETS

Current Assets:-

Cash in Bank	\$ 3,803.71	
Accounts Receivable	9,474.48	
Material and Supplies	6,989.59	\$20,267.78
		<hr/>

Operating Property:-

Revenue Automotive Equipment	54,385.58	
Shop, Garage, Service and Other Equipment	11,023.58	65,409.16
		<hr/>

Other Assets:-

Prepaid Insurance	3,867.46	
Organization Expense	2,998.32	6,865.78
		<hr/>
		\$92,542.72

LIABILITIES AND CAPITAL

Current Liabilities:-

Notes Payable	\$10,000.00	
Other Liabilities	566.30	
Payroll Taxes Payable	511.99	
Federal Income Tax Payable	6,963.52	18,041.81
		<hr/>

<i>Reserve for Depreciation:-</i>	14,335.92
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Capital:-

Common Stock Issued and Outstanding, 250 Shares Par Value \$100.00 a Share	25,000.00
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<i>Surplus:-</i>	35,164.99
	<hr/>
	\$92,542.72

SCHEDULE M

MACKINAC TRUCK LINES, INC.

PROFIT AND LOSS STATEMENT

Year Ended December 31, 1951

Carrier Operating Revenues:-	\$86,567.54
Carrier Operating Expenses:-	<u>70,087.57</u>
Carrier Operating Income	16,479.97
Other Income	<u>7,740.98</u>
Net Income, Before Income Tax	24,220.95
Provision for Federal Income Tax	<u>6,963.52</u>
Net Income for the Year	<u>\$17,257.43</u>

OPERATING STATISTICS — YEAR 1951

Equipment Owned:-

Trucks	5
Tractors	8
Trailers	9
Miscellaneous	<u>4</u>
Total	26

Vehicle Miles Operated Year 1951 227,847

